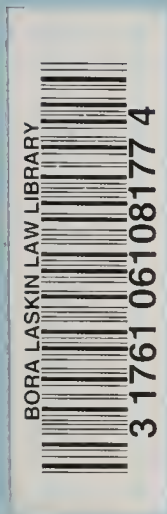




UNIVERSITY OF
TORONTO
FACULTY OF LAW



ART OF THE DEAL

(Course No. LAW300HIS)

Spring 2008

MATERIALS

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Mihnea Moldoveanu and Roger Martin, <i>Agency Theory and the Design of Efficient Governance Mechanisms</i> (February 2, 2001), pp. 1-10 ²	89

¹ Additional readings (to be posted on the course site – these readings are not required) on the related subjects of:

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- Stephen M. Bainbridge, *The Politics of Corporate Governance*, 18 HARV. J.L. & PUB. POL'Y 671, 703 (1995)
- William T. Allen, *Our Schizophrenic Conception of the Business Corporation*, 14 CARDOZO L. REV. 261, 268-69 (1992)
- Jeffrey N. Gordon, *The Rise of Independent Directors in the United States, 1950-2005: Of Shareholder Value and Stock Market Prices*, 59 STAN. L. REV. 1465 (2007)

Directors' Responsibilities

- Einer Elhauge, *Sacrificing Corporate Profits in the Public Interest*, 80 N.Y.U. L. REV. 733, 739 (2005)
- Martin Lipton, *Takeover Bids in the Target's Boardroom*, 35 BUS. LAW 101, 106 (1979)
- Leo E. Strine, Jr., *Lecture and Commentary on the Social Responsibility of Corporate Entities: Is There Any "There" There?*, 75 S. Cal. L. Rev. 1169 (2002)
- Milton Friedman, *The Social Responsibility of Business is to Increase its Profits*, The New York Times Magazine, September 13, 1970

² This short excerpt from a longer work summarizes and encapsulates the major insights from the preceding pieces in this section. Consider it optional reading if you have read the preceding pieces in this section.



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William A. Sahlman, <i>The Structure and Governance of Venture Capital Organizations</i> , 27 J. FIN. ECON. 473 (1990), excerpts	99
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Keith J. Crocker and Scott E. Masten, <i>Pretia Ex Machina?</i> ³ <i>Prices and Process in Long- Term Contracts</i> , 34 J. OF L. AND ECON. 69 (1991) (excerpts)	183
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³ A play on “*deus ex machina*” or “god from the machine” — an improbable plot device that resolves a difficult situation. “*Pretia*” roughly translates to “prices”.

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